

Construction Phase

Once funding has been secured to pay for work as required by the contract documents and a Notice to Proceed has been issued by the Owner (Borrower/Developer) construction work may commence. During the Construction Phase the Contractor is responsible for the supervision required to assemble materials and perform labor to achieve project completion in accordance with the approved contract documents.

If Minnesota Housing Finance Agency (Minnesota Housing) funding is needed for any loan disbursement during the Construction Phase ("Construction Loan") a Loan Closing must take place prior to commencing any work and a brief Pre-Construction Meeting is held normally during or immediately following the Loan Closing. If Minnesota Housing funding is not needed for any loan disbursement until after construction is completed ("End Loan"), the Loan Closing does not typically take place until after construction is completed. Regardless if "Construction Loan" or "End Loan" Minnesota Housing shall be permitted to periodically enter the work site and inspect the work.

It is essential that the project is constructed in accordance with the approved contract documents. Minnesota Housing Supplement to General Condition of the Agreement between Owner and Contractor, as executed by the Contractor and Owner whenever Minnesota Housing is acting as Coordinating Lender and loan disbursement is needed during the Construction Phase, gives Minnesota Housing the right to enter the site and inspect the work. At any time during the construction of the project, in the sole opinion of Minnesota Housing, the Contractor has failed to perform the work under the contract documents in accordance with the contract documents or has failed to utilize materials in accordance with the contract documents, Minnesota Housing may issue a "Correction Order" to the Contractor for correction of such items without the approval of the Owner.

If an "End Loan" and, in the sole opinion of Minnesota Housing, the Contractor has failed to perform the work under the contract documents in accordance with the contract documents or has failed to utilize materials in accordance with the contract documents, Minnesota Housing may elect not to close on the loan indefinitely or until all nonconforming items are corrected satisfactory to Minnesota Housing.

Purpose: The Construction Phase brings the bid documents and previous stages of the Minnesota Housing development process to realization as site improvements are completed in accordance with the contract documents.

Contractor's Role: The Contractor's role during the Construction Phase generally consists of the following:

1. Attending Pre-Construction Meeting. The purpose of the Pre-Construction Meeting is to establish procedures to be followed during the Construction Phase of the development. It shall be attended by the Owner, Architect, Contractor, and Minnesota Housing Staff Architect. Topics normally discussed include:
 - Monthly draw meeting schedule;
 - [Construction Draw Procedure](#);
 - Handling requests for changes; and
 - Temporary project sign.
2. Calling for the Architect's review and approval of shop drawings, product data, samples, and mock-ups.
3. Providing supervision required to assemble materials and performing labor to achieve a completed project.
4. Studying and following the contract documents and laws and regulations affecting construction, and cooperating with the Architect and other contractors and subcontractors to the extent necessary to accomplish the work.
5. Selecting the means, methods, techniques, sequences, and safety procedures for coordinating and constructing the work on time and within budget.
6. Administering construction tests and inspections.
7. Preparing Contractor's Application and Certificate for Payment (AIA Documents G702 and G703).
8. Paying for all the labor, materials, equipment, utilities, and services necessary to accomplish the work.
9. Fulfilling all contractual responsibilities for permits, bonds, certificates, and other written notices, authorizations, approvals, objections, and submittals.
10. Submitting request for information (RFIs) to Architect whenever documents are not clear in their requirements.
11. Waiting for approval before executing any design or material modifications. When significant design or material modifications occur which affect the construction cost and/or when extension of the contract time is justified the Architect shall prepare a Change Order (AIA Document G701). All Change Orders must include a detailed material and labor quantity and cost itemization (normally prepared by the Contractor) showing how adjustments to contract sum were determined. Change Orders must be approved by the Owner, Contractor, Architect, and Minnesota Housing.
12. Notifying Minnesota Housing immediately in the event of Owner default.

13. Initiating project closeout process which typically includes the following:
 - Providing a list of incomplete items (punch list) including monetary value of each;
 - Notifying Owner relative to any changes in insurance coverage;
 - Submitting all warranties, maintenance contracts, and required operating instructions;
 - Showing compliance of with all legal construction requirements and inspections as required for certificate of occupancy;
 - Submitting record documents showing recorded changes made during construction to drawings, specifications, addenda, etc...
 - Delivering replacement and maintenance stock of material if specified;
 - Completing keying schedule, make final changes to lock cylinders, and coordinate shifting responsibility for security to the Owner;
 - Instructing the Owner in the operation and maintenance of systems and equipment;
 - Thoroughly cleaning construction debris from all site areas;
 - Restoring damaged finishes;
 - Submitting the required guarantees and certificates of inspection;
 - Obtaining certificate(s) of occupancy from local municipality, if applicable; and
 - Requesting Architect's inspection for substantial completion.
14. Performing any additional duties associated with completing the work as required by the contract documents.

Once the Architect inspects the work and judges the work to be substantially complete in accordance with contract documents the End of Construction processing stage begins.